



NEWS RELEASE

PRESS OFFICE

Release Date: September 16, 1999

Release Number: 99-71

Contact: Mike Stamler (202) 205-6740

Internet Address: www.sba.gov/news/

VICE PRESIDENT GORE AND SBA ADMINISTRATOR ALVAREZ PLEDGE REDOUBLED EFFORTS FOR HISPANIC BUSINESSES

SAN DIEGO – U.S. Small Business Administration (SBA) Administrator Aida Alvarez, joining Vice President Gore here today before the U.S. Hispanic Chamber of Commerce, promised to redouble the agency's efforts to connect Hispanic entrepreneurs with SBA-backed financing, and access to federal contracts and technical assistance.

"Almost three years ago, at your annual meeting in Houston, I committed the SBA to an aggressive outreach strategy aimed at substantially increasing our lending to Hispanic-owned small businesses," Administrator Alvarez said. **"And we signed a partnership agreement to work together to reach ambitious lending goals."**

"We have done a good job, both of us, but we are going to have to do a better job in the coming months. I intend to redouble our efforts to help make Hispanic Americans full partners in this marvelous economy, and in the economic life of this country."

Vice President Gore added: **"A vibrant small business private sector is a cornerstone to healthy and strong communities. Small businesses provide employment opportunities, deliver needed goods and services, and give people a stake in their community. The SBA has made a major commitment to the Hispanic community. Through this commitment, we are going to open the doors of opportunity to everyone who has the determination to walk through them."**

Administrator Alvarez urged Chamber members to help identify creative and determined Hispanic entrepreneurs who can benefit from SBA assistance.

During the Clinton/Gore Administration, SBA-backed loans under the 7(a) and 504 loan programs to Hispanic Americans have more than doubled, from \$285.7 million in FY 1992 to an estimated \$635 million in FY 1999. Over the past seven years, SBA has backed more than 21,000 loans worth about \$3.7 billion in loans to Hispanic-owned businesses. That total includes more than \$1.25 billion in loans in the past two fiscal years alone.

-- more --

“That’s an improvement, but it’s not enough,” Administrator Alvarez said. “I know I’m preaching to the choir here, but we have to do better. And I believe that the partnership we have established will help us do better. We must do better if we are going to keep up with the changes in the American economy that are occurring today.”

Alvarez noted a report this week from the U.S. Census Bureau that the number of Hispanics in the United States has increased by more than 35 percent in the 1990s. Hispanics made up nine percent of the population in 1990, and had reached 11 percent, about 30.3 million, by 1998.

The number of Hispanic-owned businesses is skyrocketing – up by 230 percent between 1987 and 1997. All told, Hispanics now own an estimated 1.4 million businesses and generate revenues of \$184 billion annually. In addition, the buying power of the Hispanic community has been estimated at \$356 billion.

“We have a lot to be proud of, but still have a lot of room for growth,” Administrator Alvarez said. “In the end, Hispanics still only own about five percent of the businesses in the United States.”

Administrator Alvarez also cited these achievements by SBA:

- SBA has signed 33 partnership agreements with national Hispanic organizations such as the U.S. Hispanic Chamber of Commerce, as well as several statewide organizations and more than 100 local organizations.
- Last December, SBA licensed its first venture capital company dedicated to investments in Hispanic-owned small businesses – Capital International SBIC, based in Miami, Florida. Capital International is the first in the agency’s Small Business Investment Company (SBIC) Program to base its investment strategy on helping Hispanic-owned companies. It raised \$5 million in private capital to help small companies in their early, formative period by providing time to establish products, organizations and credit standing with suppliers and conventional lenders.
- Existing SBICs in SBA’s venture capital program provided \$43.2 million in financing to Hispanic-owned small businesses in FY 1998.
- Hispanic-owned businesses make up about a quarter of the 6,100 participating businesses in SBA’s 8(a) Minority Enterprise Development program. They received more than \$1.5 billion in contracts under the program in FY 1998. Over the past six years (FY 1993-1998) Hispanic-owned businesses received contracts valued at more than \$9 billion.

For more information on SBA programs, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA’s extensive website at www.sba.gov.